

Subject to public comment the Board has approved the following changes to the Multi-Family portion of the Allocation Plan effective for the October 2005 round of funding allocations.

1. Increase the Operating Safe Harbors as follows:

Operating Expenses: Types	Minimums	
	Vintage Walkup	All Other
Studio & SRO	\$1,900	\$2,100
1 bedroom	\$2,000	\$2,200
2 bedroom	\$2,200	\$2,400
3 bedroom	\$2,350	\$2,535
4 bedroom	n/a	\$2,700

- Excludes capital replacement reserves and taxes. Assumes tenants pays electrical and gas utilities and owner pays typical municipal fees. Deviations from the Safe Harbor must be supported in writing by the investor and lender.

2. The maximum Developer Fee Ceiling is adjusted by 6.1%:

<u>Units</u>	<u>2006 Fee Ceiling</u>
1-10	19,100
11-30	15,900
Over 30	12,700

3. The Allocation Plan year will run from September thru August instead of March thru February. This will eliminate the need to amend the Plan annually in order to accommodate tax credit applications.
4. Increase the maximum per unit loan subsidy by increasing the percentage of the 221(d) (3) limits the OWHLF allows. The current percents allowed are at 25, 20, 15, and 10 for AMI at or below 35, 40, 45 and 50 respectively. The percents will be increased to 50, 40, 25, and 15. The changes are intended to accommodate the current economic climates significant increases in construction costs while keeping the overall AMI targeting at a lower percent.
5. Increase the per project maximum loan amount from \$1.0 million dollars to \$1.5 million.